

AUSTRALIAN CAPITAL TERRITORY

RATES AND LAND TAX ACT 1926

DETERMINATION OF INTEREST RATES

INSTRUMENT NO. 179 OF 1999

EXPLANATORY STATEMENT

The *Rates and Land Tax Act 1926* (the Act) levies general rates and land tax on all rateable properties in the ACT. Section 22 of the Act deals with the recovery of rates and land tax and subsection 22 (3), the liability to interest on overdue rates and land tax.

This instrument revokes, from 16 July 1999, Determination No. 16 of 1998 dated 23 December 1997 and notified in the Australian Capital Territory Gazette No. S32 of 15 January 1998, and sets the interest rate to be charged on unpaid rates and land tax for the purpose of subsection 22 (3) of the Act.

With a date of effect of 16 July 1999, the interest rate is 12.72 percent per annum.

The previous rate was 16.5 percent per annum.

The rate is being aligned with the interest rate charged under the *Taxation Administration Act 1999*. This will provide broad consistency and equity across all legislation administered by the ACT Revenue Office and apply a common interest rate to all unpaid taxes, rates and charges. The interest rate is based on the 4.72% market rate (weighted average yield set at the last weekly tender for the 13 week Treasury Note before the end of May 1999) determined under the *Taxation Administration Act 1999*. To this is added a fixed penalty rate of 8 percent per annum to increase the interest rate to the point where it is uneconomical to use the Government as a source of finance.

Circulated by authority of the Chief Minister and Treasurer
Kate Carnell MLA